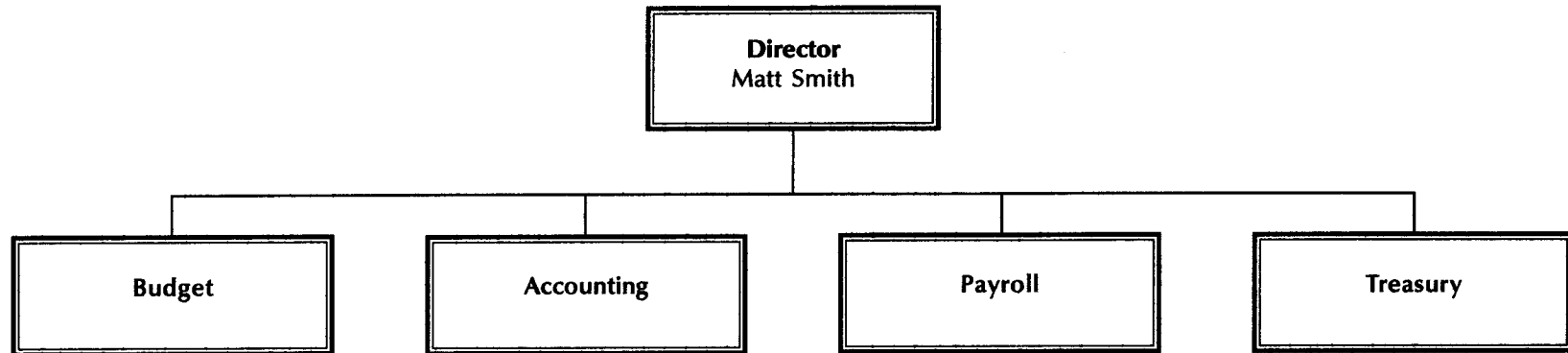


Office of Financial Services

Mission Statement

To lead and direct the city's finances by providing first-class financial policies and services to, and on behalf of, the organization.

Financial Services



Financial Services

DEPARTMENT/OFFICE DIRECTOR: MATT SMITH

	2000 2ND PRIOR EXP & ENC *	2001 LAST YEAR EXP & ENC *	2002 ADOPTED BUDGET	2003 MAYOR'S PROPOSED	2003 COUNCIL ADOPTED	ADOPTED MAYOR'S PROPOSED	CHANGE FROM 2002 ADOPTED
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<u>SPENDING APPROPRIATIONS</u>							
001 GENERAL FUND	1,552,200	1,640,645	1,646,873	1,676,549	1,676,549		29,676
050 SPECIAL PROJECTS:GEN GOV ACCTS FU	5,281,745	5,088,204	5,267,918	4,993,729	5,153,704	159,975	114,214-
070 INTERNAL BORROWING FUND	755,147	6,718,168					
802 CPL OPERATING FUND	1,257,211	2,642,969	2,720,014	2,903,211	2,903,211		183,197
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TOTAL SPENDING BY UNIT	8,846,303	16,089,986	9,634,805	9,573,489	9,733,464	159,975	98,659
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<u>SPENDING BY MAJOR OBJECT</u>							
SALARIES	1,376,742	1,244,529	1,542,233	1,577,011	1,577,011		34,778
EMPLOYER FRINGE BENEFITS	420,037	371,059	468,267	482,808	482,808		14,541
SERVICES	496,701	642,963	401,231	403,367	403,367		2,136
MATERIALS AND SUPPLIES	19,196	29,962	63,023	75,852	79,602	3,750	16,579
MISC TRANSFER CONTINGENCY ETC	5,084,200	11,693,914	5,410,051	5,334,451	5,490,676	156,225	80,625
DEBT	755,147	718,168					
STREET SEWER BRIDGE ETC IMPROVEMENT	694,280	1,389,391	1,750,000	1,700,000	1,700,000		50,000-
EQUIPMENT LAND AND BUILDINGS							
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TOTAL SPENDING BY OBJECT	8,846,303	16,089,986	9,634,805	9,573,489	9,733,464	159,975	98,659
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		81.9 %	40.1-%	.6-%	1.7 %	1.7 %	1.0 %
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<u>FINANCING BY MAJOR OBJECT</u>							
GENERAL FUND	1,552,200	1,640,645	1,646,873	1,676,549	1,676,549		29,676
SPECIAL FUNDS							
TAXES	1,765,714	1,622,576	1,735,911	1,578,125	1,738,100	159,975	2,189
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	3,053,991	2,897,568	2,930,923	2,785,870	2,785,870		145,053-
ENTERPRISE AND UTILITY REVENUE							
MISCELLANEOUS REVENUE	3,867,082	4,868,800	3,267,097	3,255,933	3,255,933		11,164-
TRANSFERS	14,053	6,241	14,001	15,612	15,612		1,611
FUND BALANCES			40,000	261,400	261,400		221,400
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TOTAL FINANCING BY OBJECT	10,253,040	11,035,830	9,634,805	9,573,489	9,733,464	159,975	98,659
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		7.6 %	12.7-%	.6-%	1.7 %	1.7 %	1.0 %

Strategic Plan Accomplishments and 2003 Priorities

Major Accomplishments

- Provided superior service in payroll, accounting, budgeting, treasury, system maintenance and financial reporting with 2.7 FTE vacant positions.
- Maintained the current ratings as measured by the bond rating agencies. Standard & Poor's reaffirmed the city's AAA rating and Moody's reaffirmed the city's Aa2 rating.
- Proposed 2002 operating, capital and debt budgets with no property tax increase.
- Received the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the city's 2000 comprehensive annual financial report (CAFR). Published 2001 CAFR on time with State Auditor's unqualified opinion.
- Met 2002 mayoral budget directives and successfully managed the Office of Financial Services' spending and employee salary and benefits with consistency, efficiency and effectiveness.
- Completed the following parts of the Governmental Accounting Standards Board (GASB) Statement No. 34 implementation project:
 - Phase I: gap analysis and implementation manual; revision of equipment inventory system; functional distribution of compensated absences; and initial accountant training.
- With Ramsey County, Independent School District No. 625 and the Port Authority, the city completed and distributed the biannual joint debt book.
- Completed an RFP for external money managers, which reduced fees by three basis points, from 20 basis points to 17, and added one new external manager.
- Added acceptance of American Express and Discover Card credit cards for payment of city services. Presented credit card and cash handling training sessions to city staff.

2003 Priorities

Implement the mayor's priorities by:

- Proposing a 2003 budget with no increase in property taxes.
- Budgeting proposals that reflect the mayor's priorities.
- Hiring, where possible, to have office staff reflect the diversity of Saint Paul.
- Continuing the city's effort to price the cost of services and to measure performance related to delivering city services. Encourage departments and offices to actively manage operating and capital expenditures and maximize revenues in new and creative ways. This includes factoring in normal underspending.
- Planning for the replacement of the city's finance system to include functions that will assist the above efforts.
- Controlling the costs of fiscal operations, including the cost of debt issuance and investment management, and seek a competitive return on investments.
- Working with PED to finance the city's mixed income housing 5,000 fund and riverfront development.
- Implementing Phase II of the GASB Statement 34 project by December 31, 2002.
- Seeking opportunities to implement productivity strategies, including reorganizations.
- Continuing efforts to promote and reward fiscal discipline, including the use of incentives.
- Publishing financial documents that provide the finance professional and the interested citizen with information that is well documented and informative.

Budget Explanation

Major Changes in Spending and Financing

Creating the 2003 Budget Base

The 2002 adopted budget was adjusted to set the base for the year 2003. The budget was increased for the anticipated growth in salaries and fringe benefits related to the collective bargaining process. A spending cap was imposed on the office's adjusted general fund budget to limit the growth of government spending and to avoid an increase in the city's property tax.

Office Proposals

In order to meet the base budget, the office eliminated 0.7 FTE clerical position. In anticipation of State LGA cuts in early 2003, we will leave two positions vacant—one in budget and one in treasury—during the first quarter.

Mayor's Recommendations

In preparing the 2003 proposed budget, the mayor accepted the proposal contained in the office's requested budget.

Council Actions

The city council adopted the Office of Financial Services budget and recommendations as proposed by the mayor, and approved the following changes:

- In special fund 050, adding \$3,750 revenue reserve, and \$156,225 for the Convention and Visitors Bureau to activity 30108, and using additional hotel/motel taxes to finance these additions.